

SENATOR DECAMP: I think it's broader than that.

SENATOR NEWELL: Much broader than that. How would you say it was broader?

SENATOR DECAMP: I'll give you an example. In the state planning, things like that, you frequently particularly when you are dealing with a family farm want to try to hold the thing together without destroying it into little pieces. So Farmer Jones has 640 acres and Farmer Jones has six children. Because of a state tax and laws, inheritance tax laws, Farmer Jones during his lifetime wants to get this property distributed to his children. But he doesn't want to destroy the integrity of the farm. He doesn't want to give 60 acres to each child or 100 acres...OK I'm giving you an example.

SENATOR NEWELL: One other question, I want to ask a question that goes along. He also wants to keep control of the farm himself. Isn't that correct and that's why it's nonvoting stock.

SENATOR DECAMP: That's what I'm getting to.

SENATOR NEWELL: One other quick question.

SENATOR DECAMP: You haven't let me answer the first one yet.

SENATOR NEWELL: Let me...I'm just going to do some things in the context here...

PRESIDENT: This is not high class debate, gentlemen. Now make a statement or ask a factual question but I don't think people will understand this.

SENATOR NEWELL: Go ahead and finish your statement.

SENATOR DECAMP: Farmer Jones wants to maintain control of the farm. He doesn't want six people deciding whether they are going to plant wheat or corn or whatever. So Farmer Jones divides or sets up a family farm corporation. He then over each year gives x quantity of stock to the children, to all six of his children. So each child from the standpoint of getting equal money or interest in the farm remains equal without having to have ten acres here, ten acres there or ten acres there. But Farmer Jones wants to keep the control, the decision making power over that farm in one individual. Let's say Farmer Jones or one particular child, Maybe the oldest son who is living on the farm. So by keeping the voting control in one person or a certain number, he keeps that control and by allowing the distribution of the equity or value to the others, everybody is treated equally. So it's primarily an estate planning tool. Other states are doing it. It's developed as a result of high inheritance taxes and the destruction of farms, this type of thing.

SENATOR NEWELL: One other question Senator DeCamp. Is this also...is this limited just to farm corporations or agriculture corporations?

SENATOR DECAMP: No, I used the family farm corporation as a typical example which would be dealt with most in Nebraska. Now you might have a business, the same type of thing, a